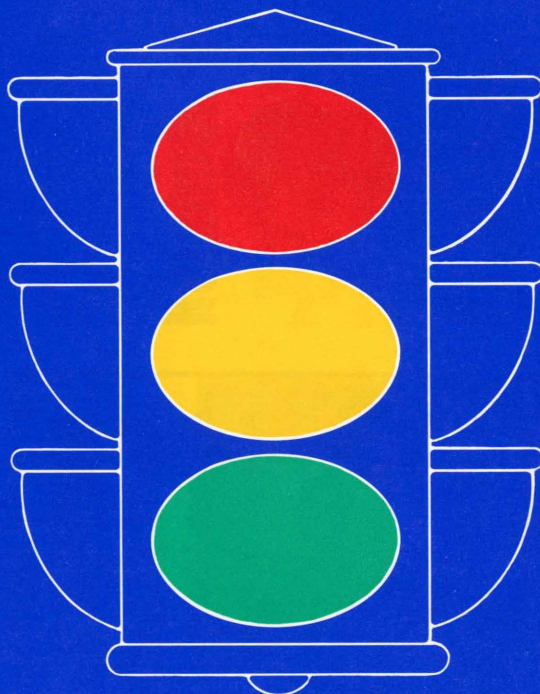


# PROFILE

Vol. 38, No. 6

A Newsletter of Blue Cross and Blue Shield of Florida

June 1989



Ready! Set! Go!

# PHS



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## Newest cost control program set to go

After months of planning, testing, and plain-old hard work by dozens of people, the green light is on and the Purchasing of Hospital Services (PHS) program is off and running.

Effective May 1, Florida Medical Center in Broward County became the first hospital outside the Orlando area to sign a PHS contract, which is designed to help control health care costs for traditional insurance policyholders.

"We are extremely pleased by the signing of Florida Medical Center and the overall initial reaction of the hospital community to our PHS contract," said Tom Stanley, vice president of Cost Containment.

"We are optimistic that additional hospital contracts will be signed prior to June 1. We are looking forward to establishing new business relationships with acute care hospitals that will result in lower costs for our members."

The new business relationship is based on the PHS contract BCBSF negotiates with individual hospitals to cover most inpatient services on a diagnostic related group (DRG) basis, rather than the former charge-based method.

DRG reimbursement provides hospitals an incentive to treat patients efficiently, which leads to lower costs. It also avoids the inflation and unpredictability associa-

ted with charge-based reimbursement.

The next hospital to sign a PHS contract, effective June 1, is South Shore Hospital in Dade County.



*Technical Services folks who've helped make PHS work are (1st row, l-r) Tina Markowitz, Cindy Wolfe, Roberta Gillette, Chris Hontz, (2nd) Pat Chapacharis, Marybeth Johnston, Rikki Jameson, Saprina Lewis, (3rd) Tom Johnston, Harry White, Charlene Sherman and Steve Brott. They represent National Support, Local Support, State Group Operations, National Accounts Administration, Systems Development and Institutional Reimbursement. Absent: Leola Flynn, Robert Copeland, John Bookstaver.*

In addition, meetings have been held with 52 of the 77 hospitals in the South Florida and Pensacola areas, the sites of the initial PHS rollout effort. Pricing proposals have been left with 35 of the 52 hospitals, and meetings with hospitals in other areas of the state will begin later this summer.

Systems and Private Business Operations have completed many of the changes required of the claims processing system, and the Plan now has the operational capability to process PHS claims.

"I just can't say enough about all the people who have contributed to this effort," Stanley said.

"From the Systems, Private Business Operations, and Marketing employees, the negotiating teams, regional vice presidents, and members of the corporate design group and implementation team, everyone has gone the extra mile in terms of hard work and dedication to successfully implement this program."

To mark the successful launching of PHS, a corporate celebration is set for Tuesday, May 30.

Balloons will fill the lobbies of the corporate headquarters; cake and punch will be served outside the corporate library on 3-C.

Also, there will be several surprises for all employees around the state. No one should miss the exciting celebration.

## Plan puts technology to work for providers

BCBSF is using technology to make information available to health care providers.

A 24-hour-a-day, seven-day-a-week telephone line describes the new reimbursement guide and related educational tools, as well as news about workshops and PPO/HMO seminars statewide. Providers eventually will be able to enroll in educational programs by leaving a voice message on the same phone call.

HIS Field Administration and Telecommunications created this innovative service as part of a commitment to ensure superior service for providers. It's the first of many opportunities the Plan has taken to employ technology to meet service needs.

The system uses ASPEN (Automated Speech Exchange Network). It's being tested but is operational for review — 904-791-8071. A recorded message tells about the guide and how to order it. Callers can leave a message or press \* to return to the previous menu.

BCBSF employees are encouraged to call, review the information, and leave a voice message of their reaction to the system. Providers will be notified of the service in the May/June issue of Health Care Times.

More applications of technology may be introduced as part of overall service improvements conceived by the Provider Inquiry Service Workgroup.

This technology includes an automated attendant, which is a call router, and an audio response system to automate high-volume, routine provider inquiries concerning claims status and benefits eligibility.

A prototype of the automated attendant has been implemented in South Florida, and a feasibility study is in progress to evaluate possible audio response applications for other areas of the company.

Offering providers all the right information in one phone call helps them process subscribers' claims with promptness and accuracy. As telephone inquiries grow in number, telecommunications technology clearly is the most cost-effective method of handling them.

## Florida Plan records \$7.5 million earnings during first quarter 1989

The corporation recorded a net gain of \$7.5 million across all lines of business during the first quarter of 1989, with total revenues up 12 percent from the same period a year ago.

"We're very encouraged by our initial results in 1989," said Richard Thomas, vice president of Finance and Planning.

"Our contract renewal rate (91 percent through March 31) remains one of the most positive in the Florida health insurance industry, which we believe indicates the competitiveness of our rates, customer recognition of the value offered by our product lines, and the fact that we represent stability in the marketplace," Thomas said.

HEALTH OPTIONS realized a small profit in March but lost about \$700,000 during the quarter. This represents a considerable improvement from its loss of \$30 million in 1988. BCBSF and its subsidiaries reported a net loss of \$51.6 million last year.

Policyholders' equity increased to \$103 million as of March 31, and corporate assets increased to \$474.7 million.

Total revenues during the quarter were \$316.4 million; total expenses were \$314 million. Investment income contributed the balance of earnings. During the first quarter of 1988, total revenues were \$283.4 million and expenses were \$292.8 million.

Rate increases and benefit plan adjustments affected first quarter results, but there were other factors as well — negotiations with hospitals and physicians to gain better prices for subscribers, integration of administrative functions, and enhanced programs to control medical care costs.

Increasing claims costs affecting the entire industry are due mainly to higher utilization of medical services, especially in outpatient settings, Thomas said.

Other factors include the cost of new medical technologies and procedures and a medical care inflation rate higher than the general inflation rate.

"We remain cautiously optimistic about achieving 1989 financial performance goals. While our first quarter performance is positive, it is still a difficult market." Thomas noted that rising medical costs and state and federal legislation could affect year-end results.



# "Partners in Perfection:" new way to do business

They're trying something different in Local Group 100+ within Private Business Operations, and it appears to be working well.

In fact, it may be a model for other areas of the corporation.

To improve performance, morale and teamwork in their areas (Entry, Suspense and Customer Service), employees formed a committee, Focus Group 100+, in early March.

Three members from each area meet weekly to improve efficiency, provide added value for customers, eliminate unnecessary processes and procedures, and identify cost savings.

They initially determined concerns they could resolve within 90 days, or which they could refer to management.

Quality being one of the issues, they created "Partners in Perfection," (PIP), a process in which every employee has an opportunity to contribute.

Members and their supervisors chose "partners" for each employee, so they could spend about an hour a day

reviewing each other's work from earlier that day.

"I was skeptical, at first, but now I'm a walking testimony," said Julia Miller, a suspense examiner who has served BCBSF for 17 years.

She was referring to what has been called "a new way of doing business." Employees work as a team, raise issues, resolve problems, and coach each other toward improvement.

Miller said that PIP works well because of feedback. Group members immediately relate their discussions to fellow employees and seek their input.

Having their quality performance reviewed by peers, people view their work from a new perspective. They get more involved in improving their own quality and that of their unit.

Scott Hartsfield, a senior customer service representative and group member, said that he's seen a change in people's thinking since PIP began March 20. "We're all striving for consistency in doing things the best



Focus Group + members are (1st row, l-r) Linda Jones, Julia Miller, Geri Jackson, Marie Tunsil, (2nd) Greg Flowers, Kevin Ondarza, Donna Powell and Scott Hartsfield. Janie Nelson is absent.

way we can," he said.

The idea is that people perform better when they are empowered to help manage themselves.

Having a vested interest in performing well, people find their jobs more personally rewarding. The result is dedicated employees who, together, provide outstanding customer service.

They're becoming more involved in self-management, and they're beginning to share some of the responsibilities of management staff, whose deci-

sions affect operations and people's lives.

Group member Greg Flowers, an entry examiner, said that PIP has worked in Local Group 100+ and that it could benefit the entire organization.

Dick Warner, director of Local Group 100+, recently visited the group and encouraged them.

"People need to trust each other in this process to see its value. Then they'll offer input and make a commitment. The bottom line is service to our customers," he said.

## Accredited program helps secretarial professionals distinguish themselves

Few secretarial professionals attain the distinction of being a Certified Professional Secretary (CPS).

At BCBSF, Irene Schmutz, Linda Steckley and Margaret White share that recognized measure of proficiency.

CPS was created through Professional Secretaries International (PSI), which is dedicated to continual upgrading of performance standards with continuing education programs.

For PSI, a secretary is much more than a stereotypical office helper.

A qualified secretary is an executive assistant with a mastery of office skills who can assume responsibility without direct supervision, exercise initiative and judgment, and make decisions within the scope of assigned authority.

"I believe the CPS rating is an excellent goal and provides not only a great deal of personal satisfaction but also a well-rounded educational opportunity," said Irene Schmutz, a Jacksonville PSI chapter board member and chairman of their CPS committee.

Her chapter's 1989-90 "Secretary of

the Year," she said secretaries must constantly improve their skills as industry becomes more competitive.

"The image of the secretary is changing," she said. "No longer is a secretary someone who types and answers phones; they must be knowledgeable in several areas, which are covered by the CPS examination.

"I'm proud I took the initiative to achieve the CPS goal," she said.

To earn it, a person must meet educational and work experience requirements and pass a six-part, two-day exam given in May and November.

Many colleges and universities grant credit hours for CPS course work to people enrolled in degree programs. Jones College in Jacksonville, for example, awards 38 credit hours; Florida Community College at Jacksonville allows 18 credits.

Accounting, business law and office technology are covered, as are behavioral science and business, economics and management, and office administration and communications.

Last November, 1,017 of 3,508 candidates nationwide achieved the CPS rating, including 49 from Florida. Less than 8 percent of aspirants pass all exam parts on their first attempt.

Study manuals are available in the corporate library.

Linda Steckley said that the CPS program helped her improve her education and broaden her knowledge of management philosophy and techniques.

"It was a real challenge because I had been out of school for a long time and it was difficult to study at night without neglecting my husband and two daughters," she said.

Margaret White said she received great satisfaction in passing the exam.

"The competition was with myself, and I am pleased with the results. . . Certification enhances my chosen secretarial profession," she said.

The Jacksonville PSI chapter meets the third Monday evening each month. PSI will sponsor a corporate CPS program if there's enough interest.

## Regional update

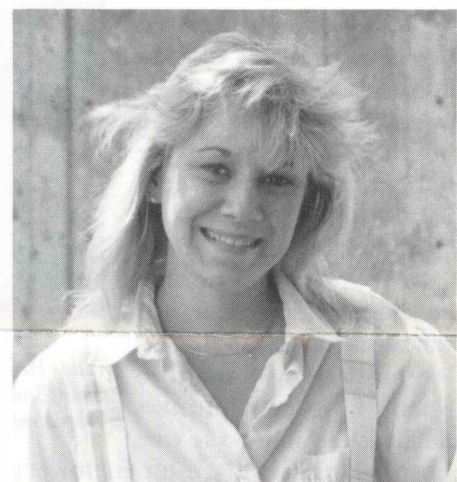
BCBSF's field offices are making regional management a reality.

In the Northeast, Ken Sellers hopes to have his Jacksonville staff under one roof by month's end. The Gainesville staff is already in one building.

Dick Smith and his staff are using a recent in-house survey (289 employees) to begin South Florida's "Total Quality Management" program. Dudley Mendheim has added a case manager for all product lines in the Tampa Bay area, which should help produce significant savings.

In the Northwest, Skip Housh and his staff are focusing customer service feedback into an active outreach and education program.

Profile will report future regional management activities. For information, use suggestion boxes or contact Barbara Hunter, 3-C.



Michele May

## May shines in stage debut

As the curtain fell on opening night, Michele May's initial fears exited stage left and she was off to the right start in her first acting role.

Last month, she appeared in Players-by-the-Sea's production of "Children of a Lesser God" in Jacksonville Beach.

A reviewer said of her performance, "Michele May is a bright spot as Lydia, who can hear a little and speak a little and who seems oblivious to the fact that she's not quite 'normal.'"

"She is funny and provides most of the comedy relief in what otherwise could have become an overweight drama," the reviewer wrote.

Lydia is a hearing-impaired student who encourages her peers to interact with the "hearing world." Michele, who has a hearing impairment, interacts with that world every day.

While seeking a computer science degree at Florida Community College at Jacksonville, Michele is employed as a claims entry trainee in Northern Region Major Accounts.

A "very bright individual" who reads lips well, she performs well and often helps others with their work, said Sue Harley, supervisor of the training production unit.

Harley, Kim Powell, Deborah White and Debra Lowery have found working closely with Michele a rewarding experience.



Proud of their CPS designation: Linda Steckley, (l-r) Margaret White and Irene Schmutz



# The Benefits Are Yours

## From the Employee Benefits Department

During recent all-employee meetings, you received information about our newest benefit programs, Premium Plus and SelectFund, which offer you more flexibility and freedom in choosing benefits to suit your needs.

Please, remember these important dates:

- June 1 — Your completed SelectFund enrollment form is due to Compensation and Benefits, 1-T.
- June 5 - December 31 — Your initial SelectFund plan year for 1989. Plan your deposits to cover only expenses you expect to incur within this period.
- June 15 — With PremiumPlus, your regular monthly contributions for family health care and dental coverage premiums will be deducted automatically from your paycheck on a pre-tax basis. Your SelectFund deposit will be deducted in equal portions during the plan year, beginning with the June 15 paycheck.
- June 30, 1990 — Deadline to request reimbursement for covered expenses you incur between June 5 and December 31, 1989 if you participate in SelectFund.

Here are some answers to frequently asked questions about how the plans work.

**Q: What is PremiumPlus?**

**A:** It's a premium conversion plan, administered by BCBSF, that allows employees to pay their premiums for family health care and/or dental coverage on a tax-free basis. It means your normal monthly family health care premium (\$20 for PPO/HEALTH OPTIONS, \$50 for traditional) and your dental coverage premium will be paid before taxes are applied, so you'll receive more take-home pay.

**Q: What is SelectFund?**

**A:** It's a voluntary flexible spending account program, administered by Pen-Wel, Inc., that offers employees the opportunity to save taxes on health and dependent care expenses they now pay with after-tax dollars.

**Q: Where can I get answers to my SelectFund questions?**

**A:** For questions about your account, call 1-800-624-0394. To ask about PremiumPlus or SelectFund, contact Compensation and Benefits, 1-T, ext. 6408 or 6923.

**Q: Do I have to include any special reporting on my tax return (1040 form) about my contributions through PremiumPlus and/or SelectFund?**

**A:** No. At the end of the year, your W-2 form will reflect the actual adjusted taxable income. Earnings reported on this form will exclude any PremiumPlus or SelectFund contributions deducted from your pay.

**Q: Will my participation in these programs affect any of my other BCBSF benefits?**

**A:** No. Other benefits are based on your gross salary. These two programs affect only your taxable earnings.

We encourage you to consider and take advantage of these latest additions to your Blue Ribbon Benefits package, which makes every employee a winner!

## New ID badges, TV system will aid home office security

Wearing ID badges ensures that anyone who enters the home office complex has a good reason to be there. It protects employees' safety and secures corporate and personal property.

Employees should make a habit of wearing them (in one recent week, more than 700 "temporary" badges were issued), because soon they'll have to use new, electronically encoded badges in order to enter the building.

The new Electronic Access Control System badges also may be required to enter certain internally restricted areas. As the Safety and Security Department

emphasizes the wearing of ID badges, it will update and expand the Closed-Circuit Television System.

An alarm will alert security staff to improper activity, and a video tape will record it for follow-up action.

This integrated system is a "significant enhancement that will measurably improve the overall integrity of the facility," said Michael Legan, manager of Safety and Security.

However, the success of the program will require all employees to support the new system through proper ID badge use, Legan added.



New supervisors Donald Cotton (l-r), Bernadette Butler and Daniel Briggs

## Safety and Security adds staff

The Safety and Security department has three new supervisors to manage each shift during the work week.

With more than 16 years of collective experience in varied settings, Bernadette Butler, Daniel Briggs and Donald Cotton "will be of great benefit in helping the department reach its improvement goals," said Michael Legan, manager of

Safety and Security.

Their presence and accountability will help broaden and enhance the department's range of services, Legan said.

Initial targets for improvement include staff level skills, consistent customer service orientation, technical and crisis training, and basic management of building access and parking concerns.

# CALENDAR

## JUNE

- 2 Medicare presentation\* - Jacksonville, S'side Baptist Church, 1 p.m.
- 5-9 Consultive Selling Training Program - Trial Group, Marketing Training Room, by Marketing Education and Development
- 7 Medicare B seminar\*\* - general - Jacksonville, Holiday Inn Baymeadows
- 14 Medicare presentation - Jacksonville, Highlands library, 7-9 p.m.
- 16 Speaking engagement, "Medicare A Update" - Pembroke Pines General Hospital, American Guild of Patient Account Management, South Florida chapter - Jeanne Dorman
- 17 Corporate Caring\*\*\* - Father's Day, 10 a.m. - noon
- 19-23 Consultive Selling Training Program - Marketing Directors, Marketing Training Room, by Marketing Education and Development
- 21 Medicare presentation - Jacksonville Beach library, 7-9 p.m.
- 26-30 Consultive Selling Training Program - Sales Managers, Marketing Training Room, by Marketing Education and Development
- 28 Medicare presentation - Jacksonville, Willowbranch library, 2:30-3:30 p.m.

## JULY

- 11 Medicare presentation - Jacksonville, Mandarin library, 7-9 p.m.
- 12 Medicare presentation - Jacksonville, Regency library, 2:30-3:30 p.m.
- 20 Tampa, Medical Advisory Committee meeting of the Medical Affairs Division, Airport Marriott, 9:30 a.m. - 3:30 p.m.

## AUGUST

- 5 BCBSF Intramural Softball Tournament - Jacksonville, Ringhaver Field
- 9 BCBSF Intramural Volleyball begins - Jacksonville, Lot 3
- 26 Corporate Caring - Labor Day BBQ, noon - 2 p.m.

\* Medicare presentations by senior advocate, 791-6738

\*\* Medicare B seminars are 9 a.m. - 3 p.m., 359-8260

\*\*\* The Corporate Caring Program invites employees to help brighten a day for senior citizens at Cathedral Townhouse in Jacksonville. Call 791-8070.

This calendar is intended to reflect upcoming activities involving all areas of the corporation. Call 791-8664 to report scheduled activities.

## Marketing Education and Development

July 10-14, 24-28 Consultive Selling Training

August 14-18

August 28-Sept. 1

All four sessions will be held in the Marketing Training room, 3-C, in the home office. Marketing and Field Service Representatives will attend. For information, call Ann Lee (ext. 8771) or John Parsons (8142).

## PROFILE



Frank Dorman, Editor  
Tom Gniech, Manager  
Printing, Corporate Print Shop

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*Top: Fort Lauderdale walkers were (1st row, l-r) Sandra Fuller, Karen Fields, Mary Burchard, Pearl Franklin, Ashley Bryant, Beverly Parmet, Nicole Aschbrenner, Phaedra Kalanzis, Donna Perkins, Roseanna and Steve Carr, (2nd) Nancy Lawton, Patricia Pate, Fred Hammond, Diana Smith, Julie Pitman, Joanne Polka, Chris Bibey, (3rd) Al Salierno, Wiley Bryant, George Walters, Gene Funkhouser, Dave Fields and Dennis Bibey. Below: Among Jacksonville's walk leaders were Carole Griffin, Belinda Mitrosky, Sharlene Mailey, Pam Stubbs, Ruby Robinson, (inset) LaTrell Hartman and Yvette Lewis.*



## \$10,920 will help fight disease

Employees earned \$10,920 in April during the March of Dimes "WalkAmerica" to fight birth defects.

In Fort Lauderdale, 50 employees raised more than \$3,500, co-captains Nicole Aschbrenner and Georgia Brennan reported; 30 Pensacola employees earned \$560, coordinator Pat Pate said.

In Jacksonville, 298 employees raised \$6,860. They were second only to Southeast Bank's 309 walkers. Rain kept away many of the 450 BCBSF employees who had registered.

Jacksonville employees raised 37 percent more money than last year (\$5,002), when 115 employees walked. This year's goal was 175 walkers.

Pam Stubbs, who coordinated home office efforts with Belinda Mitrosky, attributed the large participation to "delegation and team building."

LaTrell Hartman and Sharlene Mailey raised the most money, \$192 and \$172, respectively. Carole Griffin recruited the most walkers — 66.

Yvette Lewis and Ruby Robinson were the first to recruit 10 persons each. Irene Manassas was recognized for signing up everyone in her area.



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